



Budget Policy

This policy is intended to document the organization's practice for managing the annual budget and related expenses. It will address the items that are budgeted vs those that are not budgeted annually.

It is the intent of the policy to ensure that the organization's funds are managed in a transparent and methodical fashion for the overall benefit of the corporation. This policy is intended to help ensure that the finances of the organisation are managed in accordance with the requirements of the Ontario Not-For-Profit Corporations Act.

1. Items Excluded from the Annual Budget Process:

Certain items are reported on the financial statements that are not under the direct control of the organization and as such should not be budgeted. They are cash streams that are inconsistent over time, such as;

- 1) Donations received from private donors as the result of a memorial donation.
- 2) Donations received from a company as a result of that company's policy to support volunteer activities of their employees.
- 3) Fundraising efforts of a team for a specific purpose (ie Spring Training in Florida). Revenue and expense will flow through the organisation books for record keeping, however these line items are not budgeted. The only portion that would be budgeted is the amount of funds being supplied to the team from general operations, if any.
- 4) Volunteer cheques are not budgeted as it is expected that no cheques will need to be cashed.
- 5) Donations expense will not be budgeted unless there is a donation that is a planned donation known at the time of budget generation. If the organization chooses to make a recurring annual donation of some type, this would then be included as a budgeted line item.
- 6) The "Subsidy Received" and "Subsidy Used" line items are an unusual event and non-recurring. If a subsidy is received it will be an in-and-out item within the budget year, therefore not budgeted.



2. Budget Inputs:

Prior to generation of the budget, the organization will determine the program to be offered in the coming year. This will include, but not be limited to;

- a) Number of teams that will be operated in the coming year.
- b) Any required changes to registration fees to cover team operating costs. This will be based on a “net cost of operation” by series.
- c) Any planned changes to the expense policy.
- d) Any significant program components not included in the routine operation of the program. This could include team trips partially supported by the organisation, special training plans, facility rental, etc.
- e) Best estimate of the income/expense related to any planned organization fund raising activities. This would include fund raising activities such as Bingo, Meat Raffles and the Cash Calendar
- f) Best effort final financial statements for the current operating year. This may require a best effort to accrue for late invoice receipt such as diamonds invoices.
- g) Expected changes to league fees, OBA insurance rates etc.
- h) Inflationary adjustments can be included when they are expected.
- i) Capital improvements to facilities may span a number of years and budget cycles. As such the plan should be mapped out, and annual portions of the plan included along with the associated plan for generating the cash flow required to fund the capital plan.



3. Budget Management:

The approved budget will become the financial operating plan for the year under the following general principles;

- a) A year to date financial summary will be distributed to the membership at least one week in advance of each regularly scheduled General Meeting.
- b) Members should forward their questions to the Treasurer prior to the meeting so that clear responses can be prepared and presented at the General Meeting.
- c) Year ending financials will be presented to the membership at the Annual Meeting. The membership will vote on the acceptance of the year end financial report.
- d) Year ending financials will be filed for permanent retention with other documents required by the Not-For-Profit Corporations Act. The Treasurer will be responsible for retaining these records.
- e) Throughout the year, there may be a need to adjust the budget due to unplanned changes to the program operation during the year. It is expected that spending decisions will be made so as to stay within the budget, and that changes to the budget should be limited. Changes that may be required are addressed as follows;
 - i) Changes to the operating plan that require budget changes of less than \$2,000 will be reviewed and approved as may be appropriate by a vote of the Executive. Any change approved by the Executive must be reported to the membership at the next General Meeting.
 - ii) Changes to the operating plan that require budget changes of greater than \$2,000 will be reviewed and approved at the next available General Meeting of the membership.
 - iii) The budget will be adjusted after the appropriate level of approval has been received.
 - iv) Discretionary spending (which excludes city fees for diamonds, umpire fees, league fees etc) must be managed to the planned budget line. If discretionary spending is expected to exceed the budget, the expenditure must be approved by the Executive prior to the expense being committed or spent.



4. Budget Timeline:

The timeline of preparing the budget is shown below. This process is to be completed annually so that the budget for the coming year can be presented at the Annual General Meeting and approved by the membership.

- a) Prior year costs should be finalized by the end of October so that representative statements can be prepared.
- b) A draft budget will be prepared before the end of November and distributed to the Executive for review and adjustment if required.
- c) The draft budget will be presented to the December General Meeting for review and comment by the membership.
- d) The Final budget will be presented at the Annual General Meeting. The membership will vote on the acceptance of the budget.
- e) Annually at the Annual Meeting the membership will vote on a proposal whether or not they waive the requirement for either an audit or a review engagement of the corporation's books.

Revision Date	Updated by	Board Approval Date	Revision History
13-Nov-19	Allan Ebert	20-Jan-20	Initial creation and review